



**Montana Department of
ENVIRONMENTAL QUALITY**

Brian Schweitzer, Governor

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October 26, 2011

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9360 Highway 200 East
P.O. Box 1120
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Re: Stimson Bonner Mill Cooling Pond AOC and Work Plan

Dear Sirs:

We have received your request, by letter dated May 20, 2011, for approval of modifications to the work required under the Administrative Order on Consent, Department of Environmental Quality (DEQ) Docket No. SF-10-0001 (AOC), and the Approved Work Plan. Your request seeks approval of on-site disposal of approximately 37,000 cubic yards of stockpiled soils contaminated with PCBs at or below 10 ppm. You have also submitted drafts of a Stimson Lumber-Bonner Mill On-Site Repository Construction Work Plan, along with draft repository grading and drainage plans, and we have provided those draft plans to the Missoula County Health Department as well.

In connection with this request, DEQ has issued an Interim Action Memorandum Amendment (Action Memo Amendment), a copy of which is attached. The background regarding the proposed on-site disposal and DEQ's analysis regarding this proposal are set out in the Action Memo Amendment.

DEQ is allowing a modification of the Work required under the AOC, consistent with the terms and requirements of the Action Memo Amendment, the provisions of the On-site Repository Construction Work Plan, and the associated grading and drainage plans, as approved by DEQ, and the following additional conditions, which supplement the requirements of the AOC and Work Plan, as modified.

A. Operation and Maintenance Plan.

Paragraph 80 of the AOC provides for submittal of a post-removal site control plan. Stimson will also submit, separately or as part of that plan, within forty-five (45) days of the date of this letter, an operation and maintenance plan (O&M Plan) that addresses the monitoring and maintenance of the repository and the monitoring wells for the repository. The Plan shall be subject to review and approval by DEQ, as well as modification as determined appropriate by DEQ in the future.

B. Financial Assurance and Future Liability.

Section XXVII of the AOC requires maintenance of financial assurance. As a condition for the approval of these modifications to the Work, Stimson shall provide financial assurance for the long-term operation and maintenance of the repository in form and substance satisfactory to DEQ. The financial assurance amount will be calculated to cover anticipated monitoring and maintenance costs for the repository. The parties acknowledge that they do not anticipate a release of hazardous substances from the repository based on all analyses to date, and the calculation of the financial assurance amount will not include any costs for addressing or remediating any releases. However, Stimson shall acknowledge and agree by its signature below that, notwithstanding any provision of the AOC, (1) DEQ shall not be deemed as having covenanted not to sue or otherwise waived or released any claim that Stimson is liable for any releases of hazardous (or deleterious) substances from the repository, and (2) discovery of any such releases would constitute discovery of unknown conditions or receipt of new information under paragraph 146 of the AOC.

C. Appropriate Institutional Controls.

Paragraphs 87-89 of the AOC provide for Institutional Controls (ICs), which restrict the portion of the property where waste is placed from residential use. The IC's to be placed on the repository location will include restrictions consistent with the TSCA low-occupancy requirements. The procedures for finalizing and filing ICs and other provisions of paragraphs 87-89 will still apply as described in that paragraph.

D. Survival of Termination.

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The provisions of paragraphs A, B, and C above supplement and modify the terms of the AOC as provided herein, and the terms provided herein shall survive termination of the AOC, along with the other terms surviving termination as provided in paragraph 146 of the AOC.

E. Final Design of Repository.

Final design details, including the final cover design, may be modified as required by DEQ. DEQ may consider additional comments from EPA Region 8 or others in specifying final design details.

Please let me know if you have any questions.

Sincerely,



Richard H. Oppen
Director

Acceptance:

The terms and conditions described above for approval of the modifications described above are hereby accepted and agreed to by Stimson Lumber Company.

Signed: _____



Date: _____

10/27/11

Title: Vice President - Manufacturing